

# LOAN AGREEMENT AND MORTGAGE

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1. **Date and Parties:** This Agreement made on April 25, 1995, by and between WEYERHAEUSER COMPANY ("Weyerhaeuser") and Joe Zumstein, Jr.
2. **Loan:** Joe Zumstein, Jr. acknowledges that he has borrowed and received forty two thousand dollars (\$42,000.00) from Weyerhaeuser to finance his purchase of land and timber on the real estate described in Exhibit A. Joe Zumstein, Jr. is indebted to Weyerhaeuser in that amount and agrees to repay the same on the terms set forth.
3. **Interest:** The unpaid balance of said loan shall begin bearing interest 30 calendar days after closing. At that time, it shall bear interest at the rate of ten percent (10%) per year.
4. **Security - Mortgage:**
  - A. As security for his repayment of the said loan with interest, if any, Joe Zumstein, Jr. hereby grants Weyerhaeuser a mortgage on his interest in the land and timber described on Exhibit A.
  - B. Joe Zumstein, Jr. also agrees to harvest the timber to the extent that it is merchantable, and to sell and deliver all export logs to Weyerhaeuser at the prices and location set forth in Exhibit B (log price list).
  - C. Said timber harvest and log deliveries shall be completed on or before June 30, 1995.
  - D. If for any reason Joe Zumstein, Jr. fails to harvest and deliver the aforesaid logs at the said delivery point by June 30, 1995, Weyerhaeuser may, in its discretion, perform these functions, or hire a contractor to perform them, for and on behalf of Joe Zumstein, Jr. in performing these functions.
  - E. Joe Zumstein, Jr. warrants that he owns the said timber and has full authority to encumber, harvest and sell it.
  - F. All receipts from the sale of non-export logs from the properties listed above will be paid to Weyerhaeuser, minus logging costs not to exceed \$115/MBF for scaled wood and \$18/Ton for weighed wood, until the loan is satisfied.
5. **Loan Amortization:**
  - A. The aforementioned forty two thousand dollar (\$42,000.00) loan shall be amortized by applying a part of the price due for the logs which Joe Zumstein, Jr. must deliver to the principal of the loan set forth in Exhibit C (loan amortization schedule). The purpose of this amortization schedule is to assure the complete repayment of the loan on or before June 30, 1995. If the anticipated rate of log deliveries fails to materialize, Weyerhaeuser may adjust the amortization schedule accordingly.
  - B. If for any reason the loan is not repaid in full by June 30, 1995, the unpaid balance then remaining, shall be paid in cash within 15 days.
6. **Guarantee:**

The obligations under the above agreement between Joe Zumstein, Jr. and Weyerhaeuser Company are guaranteed by me personally.

Joe Zumstein, Jr.

*Joe Zumstein, Jr.*

STATE OF WASHINGTON )

County of Skamania )

4/25/95  
Date

*[Signature]*  
Weyerhaeuser Company  
Longview Operations

4/25/95  
Date

On this 25th day of APRIL, 1995, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared JOE ZUMSTEIN, JR. and BOB BARNUM, known to me to be the persons who executed the foregoing instrument, and acknowledged to me that they are authorized to execute the said instrument.



*Debi J. Barnum* DEBI J. BARNUM

Notary Public in and for the State of Washington

residing at CAMAS

My appointment expires: MAY 6, 1998

## EXHIBIT C

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### LOAN AMORTIZATION SCHEDULE

1. Weyerhaeuser Company will retain the agreed upon log prices (Exhibit B) per MBF delivered except for \$115/MBF for all scaled wood and \$18/Ton for all weighed wood until the forty two thousand dollar (\$42,000.00) loan is paid.
2. The difference between this retention and the applicable log prices (Exhibit B) shall be paid to Joe Zumstein, Jr.
3. When the loan has been repaid in full, Weyerhaeuser shall pay Joe Zumstein, Jr. the full prices listed on Exhibit B.

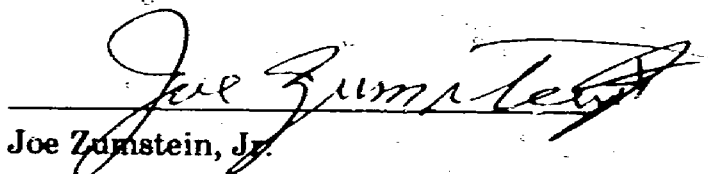
## NOTICE AND DISCLAIMER

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Weyerhaeuser Company has agreed to make a loan of forty two thousand dollars (\$42,000.00) to Joe Zumstein, Jr. (Borrower) for the purpose of buying standing timber, land or both. The decision to make this loan was based on Weyerhaeuser's business judgement. By this decision Weyerhaeuser makes no statement, express or implied, to Borrower or anyone else, that the quality, quantity or species mix of said timber to be purchased will, when harvested and sold to Weyerhaeuser, provide sufficient funds to pay back the loan.

The dollar amount of the loan described in the attached LOAN AGREEMENT AND MORTGAGE must be repaid. The loan will not be canceled or marked paid in full just because the timber purchased with the borrowed funds did not produce enough funds to pay the loan. Borrower is hereby cautioned to exercise its own judgement as to whether the timber, when harvested and sold to Weyerhaeuser, will produce enough money to repay the loan.

Read, understood and accepted the 25 day of April, 1995.

  
Joe Zumstein, Jr.

FILED FOR RECORD  
SKAMANIA CO. WASH  
BY SKAMANIA CO. TITLE

MAY 1 4 00 PM '95  
  
AUDITOR  
GARY M. OLSON